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UNITED STATES BANKRUPTCY COURT
DISTRICT OF ARIZONA

CHRISTOPHER G. GREENDA and
ANGELA M. GREENDA,

Debtors.

**DESERT SCHOOLS FEDERAL CREDIT
UNION,**

vs

CHRISTOPHER G. GREENDA and
ANGELA M. GREENDA, and EDWARD J.
MANEY, Trustee.

Respondents.

Chapter 13

Case No. 2:10-bk-31246-CGC

**STIPULATION REGARDING PLAN
OBJECTION AND AVOIDANCE OF
JUNIOR LIEN HELD BY DESERT
SCHOOLS FEDERAL CREDIT UNION**

This Stipulation Regarding Plan Objection and Avoidance of Junior Lien Held by Desert Schools Federal Credit Union ("Stipulation") is entered into by and between Christopher G. Grenda and Angela M. Grenda (hereinafter referred to as "Debtors"), by and through their attorney of record, Jackson D. Moll, and Desert Schools Federal Credit Union (hereinafter referred to as "Desert Schools"), by and through its attorney of record, Janessa E. Koenig.

RECITALS

A. Debtors are the makers of a Real Estate Secured Note and Security Agreement dated February 18, 2006, under which the Debtors received a loan from Desert Schools in the principal amount of \$25,000.00 ("the Note"), which is secured by a second

position Deed of Trust ("Second Deed of Trust") in favor of Desert Schools dated February 18, 2006, and recorded on April 4, 2006 with the Maricopa County Recorder's Office at Instrument No. 2006-0454475, encumbering the real property located at 521 W. Del Oro, Mesa, Arizona 85210 (the "Subject Property"). The Subject Property is legally described as follows:

Lot 24, Fiesta Gardens, according to Book 199 of Maps, Page 02; records of Maricopa County, Arizona.

The Note and Second Deed of Trust are collectively referred to hereinafter as the "Subject Loan."

B. On or about September 29, 2010, the Debtors filed a voluntary petition under Chapter 13 of the Bankruptcy Code in the United States Bankruptcy for the District of Arizona, and were assigned Case No. 2:10-bk-31246-CGC.

C. On or about September 29, 2010, the Debtors filed a Chapter 13 Plan and Application for Payment of Administrative Expenses.

D. On or about October 21, 2010, Desert Schools filed an Objection to Confirmation of Debtors' Chapter 13 Plan.

AGREEMENTS

THE PARTIES HEREBY STIPULATE AND AGREE TO THE ENTRY OF A FINAL ORDER WHICH PROVIDES AS FOLLOWS:

1. Desert Schools' claim secured by the Second Deed of Trust shall be treated, classified and allowed as a non-priority general unsecured claim in the Debtors' Chapter 13 Plan, SUBJECT TO THE FOLLOWING CONDITIONS:

A. The avoidance of Desert Schools' Second Deed of Trust is contingent upon the confirmation of the Debtors' Chapter 13 plan;

B. The avoidance of Desert Schools' Second Deed of Trust is contingent upon the Debtors' full performance and completion of their Chapter 13 plan; and

1 C. The avoidance of Desert Schools' Second Deed of Trust is contingent
2 upon the Debtors' receipt of a Chapter 13 discharge.

3 2. Upon receipt of the Debtors' Chapter 13 discharge and completion of their
4 Chapter 13 Plan, Desert Schools shall, after receipt of notice of said discharge, promptly
5 record a reconveyance of its Second Deed of trust against the Subject Property with the
6 Maricopa County Recorder's Office;

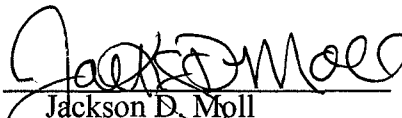
7 3. Desert Schools shall retain its lien for the full amount due under the Subject
8 Loan and Second Deed of Trust, and Desert Schools' lien shall not be avoided, and Desert
9 Schools' claim shall be treated as a secured claim, in the event of either the dismissal of
10 the Debtors' Chapter 13 case or the conversion of the Debtors' Chapter 13 case to any
11 other Chapter under the United States Bankruptcy Code;

12 4. In the event that the holder of the first lien on the Subject Property
13 forecloses on its security interest and extinguishes Desert Schools' Second Deed of Trust
14 prior to the Debtors' completion of their Chapter 13 Plan and receipt of a Chapter 13
15 discharge, Desert Schools' lien shall attach to the surplus proceeds of the foreclosure sale
16 for the full amount of the Subject Loan balance at the time of the sale; and

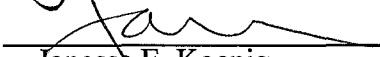
17 5. The terms of this Stipulation will be incorporated by reference in an Order
18 confirming the Debtors' Chapter 13 Plan.

19 IT IS SO STIPULATED:

20 Dated: 10/25/2010

21 By: 
22 Jackson D. Moll
Attorney for Debtors

23 Dated: 10/27/10

24 By: 
25 Janessa E. Koenig
26 Attorney for Desert Schools Federal
27 Credit Union
28

1 ORIGINAL of the foregoing filed via
ECF this 28th day of October, 2010

2 COPIES of the foregoing mailed this
3 28th day of October, 2010 to:

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Chapter 13 Trustee

13 
14 s/ Kathryn Mascari